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Subject: Debit Card Fees

Upon reading the article "Debit-card fees sneak up on shoppers", I was rather appalled that other banking institutions are tacking on charges for PIN-based transactions; in turn driving customers to use only the signature-based method. As manager of our debit card department here at WestStar Bank I see the single-most factor leading to losses related to debit cards is Fraud.

Since merchants are not required to ask for an ID when presented with a signature-based transaction, and in turn are not held liable for even a portion of a fraudulent transaction that occurred because they didn't ask for one, we believe that one of the safest and best ways for our customers to make a purchase is to use their PIN whenever possible. I for one encourage the use of PIN's; and as a bank, we do not charge "penalty" fees to our customer's who do so.

In my humble opinion, this industry is flawed in it's reasoning that merchant's have no liability and no responsibility to assist in preventing fraudulent transactions from flowing through their businesses; and the banks that write off millions of dollars each year because the laws are written to protect consumers - even those consumers who steal blindly from us - take each and every loss without so much as a whisper of opposition.

Here is our whisper. I am sure it will fall on deaf ears because the general consensus of the population is that banks have "deep pockets" and can "afford" to take these losses on their behalf. Thus, the reasoning behind the "hidden fees" for PIN-based transactions that other banks have been forced to charge. However misguided that reasoning is - it's an unfortunate fact.

Too bad banks aren't formidable enough to form a lobby against unfair merchant practices that cost us millions. Or are they? We understand that not all fraud is avoidable, it's the name of the hacker game we're all familiar with. But, a good portion of it would simply drop away if merchants did the "right" thing and simply asked for identification for every face-to-face transaction.

It would simply benefit everyone.

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